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## FORM ADV, PART 2A (BROCHURE)

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**Effective: March 2023**

### **Item 1 – Cover page**

Form ADV Part 2, our “Disclosure Brochure” or “Brochure” is a very important document between Clients (“you”, “your”) and Boston Asset Management, Inc. (“BAM”, “us”, “we”, “our”). BAM’s IARD firm number is 112768.

This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (727) 894-6520. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about BAM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## **Item 2 – Material Changes**

We have made the following material changes since the last annual filing of our Form ADV Part 2, or “Disclosure Brochure” dated March 2022.

- We amended Item 4 to specifically address retirement plan rollovers or transfers that are covered under a new Department of Labor (“DOL”) rule and related Exemption 2020-02 (“PTE 2020-02”).
1. In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Disclosure Brochure on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
  2. We may, at any time, update this Disclosure Brochure and send a copy to you with a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].
  3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer (“CCO”), Brett J. Walrath at (727) 894-6520 or via email at [Brett@bostonassetmanagement.com](mailto:Brett@bostonassetmanagement.com).

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### **Item 4 – Advisory Business**

Boston Asset Management, Inc. (“BAM,” “us,” “we,” “our”) is a corporation organized under the laws of the State of Florida on July 13, 1992, and majority owned by Leo J. Govoni along with Elizabeth S. Sauer and Brett J. Walrath. We have been registered investment adviser since February 3, 1993. We are an registered investment adviser notice filed with the states of Florida, New Hampshire, and Massachusetts. We provide the investment advisory products and services described within this document.

As of December 31, 2022, we have \$96,520,366 of assets under management managed on a discretionary basis and \$0 managed on a non-discretionary basis.

This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client. Please contact Brett J. Walrath, CCO, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf with a FINRA Series 7 and 66, or 65, or CFA, CFP, ChFC, CIC, or PFS designation, a college degree, or a combination of the above qualifications.

We offer investment advisory services primarily to trustees administering special needs and pooled trusts (created pursuant to 42 U.S.C. Section 1396p (d)(4)(A) and (d)(4)(C)) and other fiduciaries who are obligated to invest and manage assets, but do not have the expertise to meet their obligations (for example, guardians and attorneys). In addition, we offer asset and/or account management services to individuals, estates, business owners, corporations, pension and profit-sharing plans, charitable organizations, and high net worth individuals including professional athletes.

Below is a description of the investment advisory services we offer. For more detail on any product or service please reference your investment management agreement or contact your BAM Investment Advisory Representative (“IAR”).

#### **Investment Supervisory Services**

We provide continuous and regular investment advisory services to you in connection with establishing and monitoring of your investment objectives, risk tolerance and time horizon. We will manage advisory accounts on a discretionary basis guided by your stated objectives and restrictions. There are typically five basic types of investment supervisory accounts: Conservative, Moderately Conservative, Moderate, Moderately Aggressive and Aggressive. BAM tailors its investment advice, account investment strategy and risk tolerance based on a personal interview and/or the completion of a client questionnaire. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions will affect the composition and performance of your portfolio. For these reasons, performance of the portfolio will not be identical with our average client.

#### **IRA Rollover Recommendations**

For the purposes of complying with the DOL’s Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”), when applicable, we are providing the following acknowledgment to clients. When we provide investment advice to

clients regarding their retirement plan account or individual retirement account, we are a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with client interests. We operate under an exemption that requires we act in the clients' best interest and not put our or our employees' interests ahead of the clients. Under this exemption, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice),
- never put our or our employees' financial interests ahead of the clients when making recommendations (give loyal advice),
- avoid making misleading statements about conflicts of interest, fees, and investments,
- follow policies and procedures designed to ensure that we and our employees give advice that is in the clients' best interest,
- charge no more than is reasonable for services, and
- give the clients basic information about conflicts of interest.

We benefit financially from the rollover of the clients' assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when our and our employees believe it is in the clients' best interest.

### **Wrap Fee Program**

BAM does not offer Wrap Accounts.

## **Item 5 – Fees and Compensation**

### **General Account Characteristics**

Listed below are general characteristics regarding basic management fee structures, "other" fees incurred, discretionary authority, payment of fees, termination of contracts, and any unique account characteristics that will affect your accounts.

### **Fee Schedule**

### **Investment Supervisory Services**

The annual fee charged for all advisory services will be a percentage of assets under management. The fees will be as follows:

**Market Value of Assets****Annual Fee**

First	\$500,000	1.50%
Next	\$500,000	1.25%
Next	\$1,000,000	1.00%
Next	\$2,000,000	0.75%
Next	\$5,000,000	0.50%

BAM will quote an exact percentage to each of you based upon both the nature of the advisory services and dollar value of the account. There is no minimum account size and fees are negotiable. Therefore, clients with similar assets under management and investment objectives can pay higher or lower fees than other clients. You will be invoiced in advance at the beginning of each quarter based upon the month end values (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance).

**Payment of Fees**

Your accounts shall be charged a quarterly investment advisory fee based on the net value of the assets in the account on the last business day of the prior quarter. The fee shall be payable quarterly, in advance, upon deposit of any funds or securities in the account. The first payment is due upon funding of the account and shall be based upon the opening market value of the assets in the account on that date. The first payment shall be prorated to cover the period from the date the account is opened through the end of the next full calendar quarter. Thereafter, the fee shall be calculated based on the account value on the last business day of the preceding calendar quarter and shall be due the following business day. Client can authorize BAM to invoice the client directly or to have their fees directly debited from the custodian. If your fee is directly debited from your custodial account, you will receive an invoice showing the amount of the fee debited. The authorization is provided when the client executes the Investment Management agreement.

**Other Fees**

Generally, fees for investment supervisory accounts are based on a percentage of the market value of assets under management including cash. However, the fees described above do not include charges resulting from trades executed with or through broker-dealers, markups or markdowns by such other broker-dealers, electronic fund and wire transfer fees, custodial fees, and any other charges imposed. Such fees are the responsibility of the client. See Section 12 for a discussion of our brokerage practices. In addition, the advisory fee does not cover other charges imposed by third parties for investments held in the Account, such as contingent deferred sales charges or 12b-1 trails on mutual funds. In addition, each mutual fund charges asset management fees, which are in addition to the advisory fees charged by us. The fees charged by such funds or managers are disclosed in each fund's prospectus. The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law.

**Termination of Contracts**

This Agreement shall be valid for one (1) year from the effective date and will automatically be renewed annually for one (1) year terms. However, the investment management agreement can be terminated by either party at

any time by written notice. Upon termination, we will not liquidate the account unless client provides written instructions to the contrary. We agree to use its best efforts to liquidate an account upon receipt of proper written notice on the business day of receipt provided that notice is received prior to twelve noon (12:00 pm). If notice is received after 12:00 pm, we agree to use our best efforts to liquidate the account by the end of the following business day. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

We will deliver the applicable disclosure brochure(s) or Form ADV Part 2 to you before or at the time we enter into an investment advisory contract with you. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with BAM, then the client has the right to terminate the contract without penalty within five business days after entering into the contract.

Detailed information on the termination terms and fees can be found in the applicable investment management agreement.

Similar advisory services are available from other registered investment advisors for similar or lower fees.

### **Item 6 – Performance Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above.

### **Item 7 – Types of Clients**

We offer investment advisory services primarily to trustees administering special needs and pooled trusts (created pursuant to 42 U.S.C. Section 1396p (d) (4) (A) and (d) (4) (C)) and other fiduciaries who are obligated to invest and manage assets. In addition, we offer asset and/or account management services to individuals, estates, business owners, corporations, pension or profit-sharing plans, charitable organizations, and high net worth individuals including professional athletes.

We do not impose a minimum account value or other conditions for starting or maintaining an account.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

As described in Item 4 above, there are typically five basic types of investment supervisory accounts: Conservative, Moderately Conservative, Moderate, Moderately Aggressive and Aggressive. Implementation of BAM's investment strategies includes long term buy and hold and short-term trading strategies. We utilize a variety of securities including, but not limited to, equities, bonds, U.S. governments, municipals, mutual funds (including closed-end funds), unit investment trusts (UIT's), exchange traded funds (ETF's), and fixed insurance products. Investment advice is also provided on other types of partnerships, joint ventures, and other opportunities. Generally, all purchases of securities are recommended for long-term holding periods. For some clients, shorter term holding periods are valid to achieve certain goals. At a client's specific request, securities

are purchased on margin. Certain clients maintain margin loans for purchase of investments or other purposes. For qualified clients, certain options strategies are employed where appropriate, primarily to increase income or manage risk. In determining the investment advice to give to you we will utilize both fundamental and technical analysis. Fundamental analysis involves reviewing financial statements to understand the general financial health of a company and reviewing the management team or advantages the company have over the competitors. Technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

### **Risks, Disclosures, and other important information**

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss, which you should be prepared to bear. Specific risks of our significant investment strategies include:

- **Market Risk:** Overall equity and fixed income securities market risks affect the value of a client's portfolio. Factors such as domestic and international economic growth and market conditions, interest rate levels, and political events affect the securities markets.
- **Interest Rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Inflation Risk:** If any type of inflation is present, a dollar today will not buy as much as a dollar at the same subsequent time because, by definition, purchasing power is eroded at the rate of inflation. Inflation tends to erode returns on investments as well.
- **Reinvestment Risk:** This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (e.g., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend upon finding oil and then refining it (a lengthy process) before they can generate a profit. They have a greater uncertainty of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic conditions are like.
- **Foreign, Emerging Markets Risk:** Investments in these types of securities have considerable risks. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political or economic instability in the foreign country, less public information about issuers of securities, different security regulation, different account, auditing and financial reporting standards and less liquidity than U.S. markets.



- **High Yield Fixed Income Security Risk:** Investments in high-yielding, non-investment grade bonds (often referred to as “Junk Bonds”) involve higher risk than investment grade bonds. Adverse conditions affect the issuer’s ability to make timely interest and principal payments on these securities.
- **Non-Diversification Risk:** Investments that are concentrated in one or few industries or sectors involve more risk than more diversified investments, including the potential for greater volatility.
- **Fixed Income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **ETF and Mutual Funds Risk:** ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing can lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

- **Liquidity Risk:** BAM can invest in stocks in emerging companies not widely followed by Wall Street (micro-cap stocks) and may not be as liquid as larger capitalization stocks and therefore can be considered riskier, clients have to be willing to accept a higher than normal risk. BAM utilizes wide latitude in its stock selection, when searching for undervalued companies. This allows multiple opportunities to take advantage of market inefficiencies. In some micro-cap securities we invest in, there could be times due to liquidity or price movement that we are unable to place or sell a given stock in all of the client portfolios. This can and will result in some conflicts at times regarding the allocation process. Please see Item 12 for the firm’s allocation process.
- **Shorting, Margin and Use of Leverage:** BAM, with the client’s consent, can open client accounts as margin accounts and if we elect to use margin, such use can magnify risk to client’s accounts. As these are separately managed accounts, use of margin should be discussed with your IAR. Separately managed accounts wishing to use margin are required to complete a margin agreement. Other forms of leverage which BAM can use, includes options, short sales, and other inverse or leveraged derivative

instruments. BAM also has the ability to short stocks in the client portfolios, and a high level of risk is associated with this strategy. Shorting securities requires the use of margin. BAM believes shorting provides additional opportunities to make money for margin approved clients if BAM believes a stock is overvalued. In rare circumstances, structured products can be offered to certain clients. These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the products' offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.

- **Cash levels:** From time to time, there can be large cash balances in the client accounts, which earn interest at the prevailing money market rates (taxable or tax-free). If we believe it is in the best interest of the clients, BAM could go to 100% cash in their portfolio, which has risk of return associated with being out of the market.
- **Legal and Regulatory Matters Risks:** Legal developments which adversely impact investing and investment-related activities can occur at any time. "Legal Developments" means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts can be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts can also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.
- **System Failures and Reliance on Technology Risks:** Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events can cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and can fail to properly operate, especially when used for an extended period. To reduce the impact a system failure can have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems' conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions can be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

- **Cybersecurity Risk:** A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers can cause disruptions and impact the service providers’ and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed to prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.
- **Pandemic Risks:** The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries can be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases can exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises can be quick, severe and of unknowable duration. These pandemic and other epidemics and pandemics that can arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors is not intended to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your financial advisor, legal counsel, and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us.

In addition, due to the dynamic nature of investments and markets, strategies can be subject to additional and different risk factors not discussed above.

### **Item 9 – Disciplinary Information**

We do not have any legal, financial, or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a client/adviser relationship, or to continue such a relationship with us.

**Item 10 – Other Financial Industry Activities and Affiliations**

We are not, nor are any of our management persons (except as disclosed below), registered, nor do we have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

In addition, neither BAM nor its management persons have any relationship or arrangement that is material to its advisory business or to its clients, except as disclosed below, where any related person acts as a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

BAM is one entity within a diversified corporate organization controlled by Mr. Govoni that includes entities whose businesses could cause a perceived or real conflict of interest. In the interest of full disclosure, and to limit any conflicts of interest, we have summarized below a number of the related entities, who either have a direct relationship with BAM or that fall under one of the types of entities listed above.

**The Center for Special Needs Trust Administration, Inc. ("The Center")**

The Center is not a related entity. However, we maintain a close business affiliation and professional relationship with the Center, a Florida not-for-profit corporation offering specialized trustee services for special needs and pooled trusts and professional trust administration.

Pursuant to Florida trust law, The Center delegates its money management services for its trust clients to us under a separate agreement and for separate fees. Leo Govoni, CEO of BAM, founded The Center. The Center maintains its own offices separate from our offices. Due to The Center's relationship with us (i.e., Mr. Govoni is a founder of The Center and both Mr. Govoni and Mr. Walrath were Directors of The Center until May 2009) there is an inherent potential Conflict of Interest when The Center uses us for professional money management services. However, as a Trustee, The Center has a fiduciary duty (and owes a duty of loyalty) to its beneficiaries to strictly adhere to the Florida Trust Code and abide by these rules and not allow his/her judgment or the influences of a third party to control his/her actions. While we believe that The Center's delegation of investment functions to BAM meets all fiduciary duties under both state and federal statutes, The Center is not obligated to use us for professional money management services.

### **Boston Settlement Group ("BSG")**

BSG, through its wholly owned subsidiaries The Center for Lien Resolution and The Center for Medicare Set Aside Administration, provides a wide range of professional services specifically designed to meet the needs of law firms, including Medicare and Medicaid lien resolution and Medicare Set-Aside allocation and administration. Although Mr. Govoni, CEO of BAM, is a Managing Member of BSG, he does not own a controlling interest in BSG.

### **Austin Colby Co. ("Austin Colby")**

Austin Colby is an affiliated company of BAM through common ownership and control which offers administrative and support services to us and The Center and other affiliated BAM companies. These administrative services include providing personnel, accounting, and recordkeeping, information technology, among other services.

### **The Colby Company ("Colby")**

Colby is a life insurance agency based in Clearwater, Florida offering life insurance and fixed annuity products of various national insurance companies. Colby is affiliated with BAM through common ownership and control. Certain IARs of BAM are licensed to sell life and fixed annuity insurance products through The Colby Company (or an insurance affiliate of Colby Company). Certain IARs will receive compensation for the sale of such products. These IARs are able to recommend and purchase life insurance, annuities, and insurance-related products for our advisory clients, among others. For any such recommendations and insurance transactions, there is a conflict of interest as these IARs will receive separate and customary insurance commissions for insurance and insurance-related transactions and therefore have an incentive to recommend insurance and related products to our advisory clients. Our advisory clients are under no obligation to accept or implement any insurance or insurance-related recommendations or transactions through our IARs in their separate capacity as licensed insurance agents.

### **Broadleaf Property Management ("Broadleaf")**

Broadleaf is a property management company which manages both commercial properties as well as vacation rentals. Mr. Govoni, CEO of BAM is a Managing Member of Broadleaf, but does not own a controlling interest in Broadleaf.

### **Gravitas Equity Partners, LLC; Gravitas II, LLC; Gravitas Tech, LLC (Collectively, "Gravitas")**

Gravitas offers venture, growth, and mezzanine capital financing to businesses across many industries. Mr. Govoni, CEO of BAM is the Managing Member of Gravitas.

### **Boston Finance Group, LLC ("BFG")**

Boston Finance Group, LLC provides revolving credit and mezzanine financing to law firms and other businesses within a variety of industries. In addition, BFG offers bridge loans to plaintiffs or others involved in lengthy litigation and works with law firms representing the parties in the litigation in structuring the bridge loan. Mr. Govoni is a Managing Member of BFG.

### **The Center for Financial Counseling LLC**

The Center for Financial Counseling LLC, a Florida limited liability company, provides pre-mediation counseling services to homeowners in judicial foreclosure.

### **Broadleaf Forest Management LLC (“BFM”)**

Broadleaf Forest Management LLC provides consulting to the management and cultivation of commercial forests throughout the United States. Mr. Govoni, CEO of BAM, is the Managing Member of BFM.

### **Boston Capital Leasing LLC (“BCL”)**

BCL offers equipment leasing to small businesses with a specialty in medical equipment and brewery and distilling equipment for small to medium sized craft breweries and distilleries. Mr. Govoni is the Managing Member of BCL.

### **Seaboard Craft Beer Holdings LLC (“SCBH”)**

SCBH provides equity financing within the craft beer industry. Mr. Govoni is the Managing Member of SCBH.

### **Seaboard Manufacturing LLC (“Seaboard”)**

Seaboard provides precision CNC machining services including milling, turning, and prototyping. Mr. Govoni is the Managing Member of Seaboard.

### **The Center for Settlement Consultants LLC (“CSC”)**

CSC provides structured settlement services to attorneys and law firms. Mr. Govoni is the Managing Member of CSC.

### **Global Litigation Consultants LLC (“GLC”)**

GLC is an alternative legal services provider which offers a suite of services to attorneys and law firms. GLC provides administrative support and consulting services throughout the arc of a litigation lifespan. These services include, but are not limited to, medical record and bill retrieval services, medical record evaluation, public benefit compliance and back-office support solutions.

GLC is owned entirely by Boston Holding Company LLC, which is majority owned by Mr. Govoni.

### **Whiteline Creative LLC (“Whiteline”)**

Whiteline is a video production company, offering creative, production, post-production, and equipment rentals. Mr. Govoni is the Managing Member of Whiteline.

### **Big Storm Real Estate LLC (“BSRE”)**

BSRE owns property in Pinellas County, Florida which is leased to craft breweries owned by SCBH. BSRE also owns commercial property in Lee County, Florida currently leased to non-affiliated entities. BSRE is wholly owned

by Boston Holding Real Estate LLC (“BHRE”) which is owned by Boston Holding Company LLC (“BHC”) of which Mr. Govoni is the majority owner and Managing Member.

### **Fat Lion Real Estate (“FLRE”)**

FLRE owns property in Pinellas County, Florida currently used a warehouse leased to other related entities. FLRE is wholly owned by BHRE which is owned by BHC of which Mr. Govoni is the majority owner and Managing Member.

### **Seaboard Tool Real Estate Holdings LLC (“STRE”)**

STRE owns property in Pinellas County, Florida which is leased to Seaboard. STRE is wholly owned by BHRE which is owned by BHC of which Mr. Govoni is the majority owner and Managing Member.

### **Orange Blossom Funding LLC**

Orange Blossom Funding is a Florida limited liability company wholly owned by Boston Asset Management which offers equipment leasing to small businesses. BAM is the Managing Member of Orange Blossom.

### **Broadleaf North LLC**

Broadleaf North LLC is a single-purpose New Hampshire limited liability company which owns the building and property located at 15 E. Main Street, Warner New Hampshire. Broadleaf North is owned equally by Brett Walrath, Mark Govoni and Leo Govoni. Boston Asset Management leases an office located at this address.

BAM and its management team will devote such time as shall be necessary to conduct the business affairs of BAM in an appropriate manner. However, Mr. Govoni has responsibilities with other affiliated entities and, therefore, conflicts arise in his allocation of time. Each management person of BAM will spend the time they and BAM Management deem appropriate on the business affairs of BAM.

### **Investment Adviser Relationships**

We do not recommend or select other investment advisers for our clients, nor do we have other business relationships with those advisers for which we receive compensation directly or indirectly from those advisers.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act) and in compliance with federal and state regulations. All employees of BAM are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, BAM and all of our associated persons shall act in a fair, lawful, and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority.

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<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.



The Code of Ethics sets forth standards of conduct and requires compliance with federal and state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the chief compliance officer of the firm. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of BAM might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel cannot: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or can create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to you. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there can be circumstances where our personnel buys and sells on your behalf, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients upon request.

Our IARs can invest for their own accounts or have a financial interest in the same securities or other investments that they also recommend or acquire for the accounts of clients. In addition, your IAR can engage in transactions that are the same as, or different than, transactions recommended to or made for your account(s). This practice could create a conflict of interest if the IARs’ placing trades for their own accounts were to place a trade before our clients and receive a better price on a security. To address this potential conflict, such transactions are only permitted if in compliance with our Policy on Personal Securities Transactions.

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<sup>2</sup> Access person means any of our supervised persons who have access to nonpublic information regarding any clients’ purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.



Generally, personal securities transactions will be pre-cleared when an order for the same or a related security is pending for the account of a client. Reports of personal transactions in securities by our IARs are reviewed by the firm's Chief Compliance Officer quarterly or more frequently if required.

We do not execute transactions on a principal or agency cross basis.

### Item 12 – Brokerage Practices

If you need brokerage or custody services, and depending on your circumstances and needs, we recommend several broker-dealers, provided such broker-dealer can meet its fiduciary obligation of best execution. Factors we consider when making any recommendations include the broker-dealers ability to provide professional services, our experience with the brokerage firm(s), the broker-dealer(s) reputation, and the firms' quality of execution services and costs for such services, among other factors. We do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to our clients. You are under no obligation to accept any of our recommendations and are free to select any broker-dealer you choose. We do not warrant or represent that commissions for transactions implemented through such brokers will be lower than commission rates available if you use another brokerage firm.

We do not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits") that we would consider a factor in utilizing a particular broker-dealer. However, through our relationship with Fidelity Institutional, we receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist with our investment management process.

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we will not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by BAM after effecting trades for other clients of BAM. In the event that a client directs BAM to use a particular broker or dealer, BAM will not be authorized to negotiate commissions and will be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges exists between the commissions charged to clients who direct BAM to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

We will block trades where possible and when advantageous to you. Blocking trades permits the trading of aggregate blocks of securities composed of assets from multiple accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows us to execute trades in a more timely, equitable and efficient manner and to seek to reduce overall commission charges to you.

### **Item 13 – Review of Accounts**

#### **Reviews and Reviewers of the Accounts**

Accounts and portfolio holdings are reviewed by monitoring securities on a daily basis. Triggering factors which could cause a formal review include, but are not limited to, changes in client objectives or circumstances, world events, market movements, interest rate changes or client requests. All accounts are reviewed by Mark Govoni, President and Brett Walrath, Chief Compliance Officer. The number of accounts assigned to each reviewer will not exceed a number that would compromise the high standards we set.

#### **Nature and Frequency of Regular Reports to Clients on their Accounts**

You will receive monthly brokerage statements directly from the custodian firm and you will also receive confirmations of transactions.

Upon request, you can receive reports from us no less than quarterly. Typically, these reports will show account holdings and account performance over a specified time period. Reports will show profit/loss, dividend and interest income and other relevant account details. We recommend comparing the account statements you receive from the independent custodian with those you receive from us. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

### **Item 14 – Client Referrals and Other Compensation**

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. Additionally, we do not have any arrangement under which we, or a related person, directly or indirectly, receive compensation from any person for client referrals at this time.

However, we will directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if a client was referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should the client choose to open an account including a copy of our Disclosure Brochure. Solicitors will receive twenty percent (20%) of the investment advisory fees that we receive from clients introduced to us by the solicitor. Such amounts shall be paid monthly no later than the fifteenth (15th) day of the month following the month for which we earned the investment advisory fee from such client. In no case will the management fee that the client pays be higher than it would be if the client had come to us directly without the referral.

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients.

### **Item 15 – Custody**

We are deemed to have custody of client funds or securities solely if we are granted authority, by written consent from you, to deduct the advisory fees directly from your account. The custodian maintains actual custody of clients' assets. The custodian will send to you, at least quarterly, an account statement identifying the amount

of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

We can provide to you reports we prepare regarding your portfolio. You are encouraged to review these reports and compare them against reports received from the independent custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

### **Item 16 – Investment Discretion**

As described in detail in Item 4 above, we manage client accounts on a discretionary basis, which allows us to make investment decisions without prior consultation with the client. Such discretion would involve determinations regarding which securities and the total amount of the securities to be bought and sold for the account. However, we are not authorized to withdraw any money, securities, or other property either in your name or otherwise.

You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to us.

### **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

As a matter of firm policy and practice, we do not vote proxies on behalf of advisory clients. Our client investment management agreement provides that our advisory clients expressly retain the authority and responsibility for voting proxies of portfolio securities unless client directs otherwise in writing. We can provide advisory clients with administrative assistance regarding proxy voting or issues; however, the clients have the responsibility to receive and vote any proxies.

### **Item 18 – Financial Information**

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance,
- take custody of client funds or securities, or
- currently have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additionally, we have not been the subject of a bankruptcy petition at any time during the past ten years.

### **Item 19 – Requirements for State-Registered Advisers**

We are an SEC-registered investment adviser; so, this section is not applicable.